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PRESS RELEASE

Corporate Sustainability Due Diligence Directive EU Grain and Oilseeds Sector Welcomes Council General Approach

COCERAL, FEDIOL, and FEFAC, representing the EU grain and oilseed trade, crushing and animal feed industry, welcome the improvements provided by the Council's General Approach to the Commission's Proposal on a Directive for Corporate Sustainability Due Diligence.

The strengthened risk-based approach and introduction of prioritisation of adverse impacts based on their severity and likelihood would ensure that companies' efforts are concentrated where they are most needed and can deliver the most impact. This approach is also more aligned with the existing international framework on due diligence practices, which are built on best practices.

The Council has also provided a critical and much needed legal clarification to the civil liability regime by specifying more clearly the conditions that need to be met for civil liability to apply. The amended provisions provide more legal certainty for companies and make the important link to failure to comply with the provisions of the Directive. Furthermore, the civil liability would only apply to a company's own operations, whether alone or in conjunction with other business partners. We believe that as a general principle, civil liability should be limited to cases in which a company has directly caused or contributed to the adverse impact and that it should therefore be limited to own operations and not extend to the actions of a legally distinct third party.

However, we regret that the Council did not reinforce the provisions on Union action to support due diligence in third countries, where many of the environmental and human rights damages cannot be avoided by company action alone. To have a real positive impact on human rights and environmental protection in third countries, the EU needs to have a structural dialogue with governments of such producing countries and offer assistance to improve governance and enforcement of the relevant national and international laws.

Overall, the Council has made positive changes to the Commission's Proposal, but we call on the European Parliament to cover other important and needed adjustments to make the Directive legally clear, fit for purpose, and effective in combatting adverse environmental and human rights impacts of business operations.

COCERAL is the European association of trade in cereals, oilseeds, pulses, olive oil, oils and fats, animal feed and agrosupply. It represents the interest of the European collectors, traders, importers, exporters and port silo storekeepers of the above-mentioned agricultural products. COCERAL's direct members are located in 14 EU countries, with one European association, Unistock representing the professional portside storekeepers for agribulk commodities within the EU and one associated member in

Switzerland. With about 3,000 companies as part of COCERAL national members, the sector trades agricultural raw materials destined to the supply of the food and feed chains, as well as for technical and energy uses. Gafta is an extraordinary member of COCERAL.

FEDIOL, the **EU vegetable oil and protein meal industry association**, represents the interests of the European oilseed crushers, vegetable oil refiners and bottlers. FEDIOL members are 10 national associations and associated company members in 7 other EU countries. With about 180 facilities in Europe, the sector provides 20,000 direct employments. Its members process approximately 55 million tonnes of basic products a year, both of EU origin and imported from third country markets. The sector processes notably rapeseed, sunflower seed, soybeans and linseed into oils and meals for food, feed, technical and energy uses essentially on the European market.

FEFAC, the **European Compound Feed Manufacturers' Federation**, represents 23 national Associations in 23 EU Member States as well as Associations in Switzerland, Turkey, Serbia, Russia and Norway with observer/associate member status. The European compound feed industry employs over 100,000 persons on app. 3,500 production sites often in rural areas, which offer few employment opportunities.